



Timika Shafeek-Horton  
Deputy General Counsel

550 South Tryon Street  
Charlotte, NC 28202

Mailing Address:  
DEC45A / P.O. Box 1321  
Charlotte, NC 28201

o: 704-382-6373  
f: 980.373.8534

Timika.Shafeek-Horton@duke-energy.com

May 19, 2014

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29211

RE: Petition of the Office of Regulatory Staff to Establish Dockets to  
Consider Implementing the Requirements of Section 1251 (Net Metering  
and Additional Standards) of the Energy Policy Act of 2005  
Docket No. 2005-385-E

Dear Mrs. Boyd:

In compliance with Order No. 2009-552 issued by the Public Service Commission of South Carolina ("Commission") in the above-referenced docket, Duke Energy Progress, Inc. (the "Company" or "DEP") maintains a tariff entitled "Net Metering For Renewable Energy Facilities Rider NM-5A (hereinafter "Net Metering Tariff"). The following provision is included within DEP's Net Metering Tariff on Page 2 at ¶4 and ¶3.

Excess Energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months; however, any accumulated Excess Energy not used to reduce billed kWh usage shall be set to zero each May 31<sup>st</sup>. Excess Energy delivered prior to May 31<sup>st</sup> will only be used to reduce usage provided by Company prior to May 31<sup>st</sup>. There will be no compensation paid to Customer for Excess Energy granted to Company.

Customers have contacted the Company expressing concern that under the Net Metering Tariff accumulated excess energy is reset to zero each May 31<sup>st</sup>. Customers are more likely to have higher usage in the months preceding March 1<sup>st</sup>. Resetting at this time should make it less likely that a customer will forfeit excess generation. Consequently, to resolve this concern, DEP seeks to revise its Net Metering Tariff so that any accumulated excess energy will be reset to zero each March 1<sup>st</sup>.

Jocelyn G. Boyd  
May 19, 2014  
Page 2

Pursuant to S.C. Code Ann. § 58-27-870(F) (Supp. 2013), the Commission may issue an order allowing tariffs to be put into effect without notice and hearing when such tariffs “do not require a determination of the entire rate structure and overall rate of return, or ... do not result in any rate increase to the electrical utility...”

The revisions to the Company’s Net Metering Tariff will not require a determination of the entire rate structure or result in an increase in rates for customers; therefore, DEP respectfully requests that the Commission review and approve the revisions to the Net Metering Tariff without notice and hearing. For ease of reference, the Company has also prepared and included a red-lined version of the updated Net Metering Tariff showing the revisions.

By copy of this letter, we are informing the South Carolina Office of Regulatory Staff and the other parties of record in Docket No. 2005-385-E of DEP’s request.

Thank you in advance for consideration of our recommendation. If you have any questions or concerns, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Timika Shafeek-Horton".

Timika Shafeek-Horton  
Deputy General Counsel

TSH/bml

Enclosures

cc: Nanette S. Edwards, Esq.  
Shannon B. Hudson, Esq.  
Brian L. Franklin, Esq.  
Parties of Record

NET METERING FOR RENEWABLE ENERGY FACILITIES  
RIDER NM-5A

AVAILABILITY

This Rider is available in conjunction with Company's residential and general service schedules to Customer who operates a solar photovoltaic, wind-powered, biomass-fueled, or micro-hydro generating system located and used at Customer's primary, legal residence or business where a part or all of the electrical requirements of Customer can be supplied from Customer's generating system. The rated capacity of the generating system shall not exceed the lesser of Customer's estimated maximum annual kilowatt demand or 20 kilowatts for a residential system or 100 kilowatts for a non-residential system. The generating system that is connected in parallel operation with service from Company and located on Customer's premises must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with Company's "Standard for Interconnecting Small Generation 100 kW or Less with Electric Power Systems." Standby Service provisions shall not be required when service is used in conjunction with this Rider.

The provisions of the Schedule with which this Rider is used are modified only as shown herein. Customer may not simultaneously receive service under this Rider and Company's Cogeneration and Small Power Production Schedule or participate as a generation resource in the Palmetto Clean Energy ("PaCE") program. Any renewable energy credits (RECs) produced by Customer's generation shall be solely owned and retained by Customer until a market for RECs is fully developed as determined by the Commission. At that time, then annually, any RECs associated with net excess generation shall be granted to the Company on May 31<sup>st</sup> of each year.

This Rider is available on a first-come, first-served basis, except that the aggregate capacity of Customer-generators shall not exceed 0.2% of Company's South Carolina retail peak load for the prior calendar year. If Customer's proposed installation results in exceeding the limit, Customer will be notified that service under this Rider will not be allowed.

TYPE OF SERVICE

This Rider is applicable to all electric service of the same available type supplied to Customer's premises at one point of delivery through one kilowatt-hour meter.

MONTHLY RATE

An amount computed under the rate schedule and any other applicable riders with which this Rider is used, as adjusted to reflect Excess Energy delivered to Company as follows:

For electric service under a time-of-use schedule:

1. Customer's on-peak usage for service rendered shall be reduced by the sum of (a) any on-peak Excess Energy delivered to Company in the current month plus (b) any accumulated on-peak Excess Energy balance from prior months. In no case shall the on-peak kWh billed be less than zero.
2. Customer's off-peak usage for service rendered shall be reduced by the sum of (a) any off-peak Excess Energy delivered to Company in the current month plus (b) any accumulated off-peak Excess Energy balance from prior months plus (c) any accumulated on-peak Excess Energy balance in the current or prior months that was not used to reduce on-peak usage. In no case shall the off-peak kWh billed be less than zero.

3. Customer's on-peak and off-peak demands for service rendered shall be billed pursuant to the applicable schedule. In months when demand charges are prorated based upon seasonal on-peak usage and the usage to be billed exceeds the Excess Energy available to reduce such usage, Excess Energy delivered to Company shall be used to reduce billed kWh usage based upon the ratio of on-peak energy consumed in each season.
4. Excess Energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months; however, any accumulated Excess Energy not used to reduce billed kWh usage shall be set to zero each May 31<sup>st</sup>. Excess Energy delivered prior to May 31<sup>st</sup> will only be used to reduce usage provided by Company prior to May 31<sup>st</sup>. There will be no compensation paid to Customer for Excess Energy granted to Company.

For electric service under a standard schedule without time-of-use rates:

1. Customer's usage for service rendered shall be reduced by the sum of (a) any energy delivered to Company in the current month plus (b) any accumulated energy balance from prior months. In no case shall the kWh usage billed be less than zero.
2. Customer's demands for service rendered shall be billed pursuant to the applicable schedule.
3. Excess Energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months; however, any accumulated Excess Energy not used to reduce billed kWh usage shall be set to zero in the billing month that includes usage incurred on May 31<sup>st</sup> each year. There will be no compensation paid to Customer for Excess Energy granted to Company.

#### DEFINITIONS

1. Excess Energy delivered to Company shall be defined as energy produced by Customer's generation that exceeds the energy delivered by Company at a given time. This Excess Energy shall be used to reduce energy delivered and billed by Company during the current or a future month, as provided in the Monthly Rate provision.
2. The on-peak and off-peak periods shall be as defined in the applicable time-of-use schedule.

#### SPECIAL CONDITIONS

1. Prior to receiving service under this Rider, Customer must execute an "Application to Interconnect Small Generation 100 kW or Less" and an "Interconnection Agreement for Small Generation Less Than 100 kW" prior to receiving service under this Rider. The Agreement shall include Company's "Standard for Interconnecting Small Generation 100 kW or Less with Electric Power Systems" that describes the conditions related to interconnection of Customer generation with Company's electrical system.
2. Customer's service shall be metered with a single, bi-directional meter, which records independently the flow of electricity in each direction through the meter.
3. In the event Company determines that it is necessary to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, Customer shall pay a Monthly Facilities Charge as specified in Company's Service Regulations for the additional estimated cost of the dedicated transformer or other equipment above the estimated cost which Company would otherwise have incurred, except that the minimum Monthly Facilities Charge can be less than \$25.00.
4. Customer grants Company the right to install, operate, and monitor special equipment to measure Customer's load, generating system output, or any part thereof and to obtain any other data necessary to determine the operating characteristics and effects of the installation. Customer also grants Company the right to utilize Customer's telephone line to transmit data from Company's meter and special equipment.

### CONTRACT PERIOD

The Contract Period for service under this Rider shall be one (1) year and thereafter shall be renewed for successive one-year periods. After the initial period, Customer may terminate service under this Rider by giving at least sixty (60) days previous notice of such termination in writing to Company.

Company reserves the right to terminate service under this Rider at any time upon written notice to Customer in the event that Customer violates any of the terms or conditions of this Rider, or operates the generating system in a manner which is detrimental to Company or its customers.

### GENERAL

Service rendered under this Rider is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.

Supersedes Riders NM-5

Effective for bills rendered on and after July 1, 2013

SCPSC Docket No. 2005-385-E, Order No. 2009-552

NET METERING FOR RENEWABLE ENERGY FACILITIES  
RIDER NM-~~SA6~~

AVAILABILITY

This Rider is available in conjunction with Company's residential and general service schedules to Customer who operates a solar photovoltaic, wind-powered, biomass-fueled, or micro-hydro generating system located and used at Customer's primary, legal residence or business where a part or all of the electrical requirements of Customer can be supplied from Customer's generating system. The rated capacity of the generating system shall not exceed the lesser of Customer's estimated maximum annual kilowatt demand or 20 kilowatts for a residential system or 100 kilowatts for a non-residential system. The generating system that is connected in parallel operation with service from Company and located on Customer's premises must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with Company's "Standard for Interconnecting Small Generation 100 kW or Less with Electric Power Systems." Standby Service provisions shall not be required when service is used in conjunction with this Rider.

The provisions of the Schedule with which this Rider is used are modified only as shown herein. Customer may not simultaneously receive service under this Rider and Company's Cogeneration and Small Power Production Schedule or participate as a generation resource in the Palmetto Clean Energy ("PaCE") program. Any renewable energy credits (RECs) produced by Customer's generation shall be solely owned and retained by Customer until a market for RECs is fully developed as determined by the Commission. At that time, then annually, any RECs associated with net excess generation shall be granted to the Company on ~~May 31<sup>st</sup>~~ March 1<sup>st</sup> of each year.

This Rider is available on a first-come, first-served basis, except that the aggregate capacity of Customer-generators shall not exceed 0.2% of Company's South Carolina retail peak load for the prior calendar year. If Customer's proposed installation results in exceeding the limit, Customer will be notified that service under this Rider will not be allowed.

TYPE OF SERVICE

This Rider is applicable to all electric service of the same available type supplied to Customer's premises at one point of delivery through one kilowatt-hour meter.

MONTHLY RATE

An amount computed under the rate schedule and any other applicable riders with which this Rider is used, as adjusted to reflect Excess Energy delivered to Company as follows:

For electric service under a time-of-use schedule:

1. Customer's on-peak usage for service rendered shall be reduced by the sum of (a) any on-peak Excess Energy delivered to Company in the current month plus (b) any accumulated on-peak Excess Energy balance from prior months. In no case shall the on-peak kWh billed be less than zero.
2. Customer's off-peak usage for service rendered shall be reduced by the sum of (a) any off-peak Excess Energy delivered to Company in the current month plus (b) any accumulated off-peak Excess Energy balance from prior months plus (c) any accumulated on-peak Excess Energy balance in the current or prior months that was not used to reduce on-peak usage. In no case shall the off-peak kWh billed be less than zero.



3. Customer's on-peak and off-peak demands for service rendered shall be billed pursuant to the applicable schedule. In months when demand charges are prorated based upon seasonal on-peak usage and the usage to be billed exceeds the Excess Energy available to reduce such usage, Excess Energy delivered to Company shall be used to reduce billed kWh usage based upon the ratio of on-peak energy consumed in each season.
4. Excess Energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months; however, any accumulated Excess Energy not used to reduce billed kWh usage shall be set to zero each ~~May 31<sup>st</sup>~~ March 1<sup>st</sup>. Excess Energy delivered prior to ~~May 31<sup>st</sup>~~ March 1<sup>st</sup> will only be used to reduce usage provided by Company prior to ~~May 31<sup>st</sup>~~ March 1<sup>st</sup>. There will be no compensation paid to Customer for Excess Energy granted to Company.

For electric service under a standard schedule without time-of-use rates:

1. Customer's usage for service rendered shall be reduced by the sum of (a) any energy delivered to Company in the current month plus (b) any accumulated energy balance from prior months. In no case shall the kWh usage billed be less than zero.
2. Customer's demands for service rendered shall be billed pursuant to the applicable schedule.
3. Excess Energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months; however, any accumulated Excess Energy not used to reduce billed kWh usage shall be set to zero in the billing month that includes usage incurred on ~~May 31<sup>st</sup>~~ March 1<sup>st</sup> each year. There will be no compensation paid to Customer for Excess Energy granted to Company.

#### DEFINITIONS

1. Excess Energy delivered to Company shall be defined as energy produced by Customer's generation that exceeds the energy delivered by Company at a given time. This Excess Energy shall be used to reduce energy delivered and billed by Company during the current or a future month, as provided in the Monthly Rate provision.
2. The on-peak and off-peak periods shall be as defined in the applicable time-of-use schedule.

#### SPECIAL CONDITIONS

1. Prior to receiving service under this Rider, Customer must execute an "Application to Interconnect Small Generation 100 kW or Less" and an "Interconnection Agreement for Small Generation Less Than 100 kW" prior to receiving service under this Rider. The Agreement shall include Company's "Standard for Interconnecting Small Generation 100 kW or Less with Electric Power Systems" that describes the conditions related to interconnection of Customer generation with Company's electrical system.
2. Customer's service shall be metered with a single, bi-directional meter, which records independently the flow of electricity in each direction through the meter.
3. In the event Company determines that it is necessary to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, Customer shall pay a Monthly Facilities Charge as specified in Company's Service Regulations for the additional estimated cost of the dedicated transformer or other equipment above the estimated cost which Company would otherwise have incurred, except that the minimum Monthly Facilities Charge can be less than \$25.00.
4. Customer grants Company the right to install, operate, and monitor special equipment to measure Customer's load, generating system output, or any part thereof and to obtain any other data necessary to determine the operating characteristics and effects of the installation. Customer also grants Company the right to utilize Customer's telephone line to transmit data from Company's meter and special

equipment.

#### CONTRACT PERIOD

The Contract Period for service under this Rider shall be one (1) year and thereafter shall be renewed for successive one-year periods. After the initial period, Customer may terminate service under this Rider by giving at least sixty (60) days previous notice of such termination in writing to Company.

Company reserves the right to terminate service under this Rider at any time upon written notice to Customer in the event that Customer violates any of the terms or conditions of this Rider, or operates the generating system in a manner which is detrimental to Company or its customers.

#### GENERAL

Service rendered under this Rider is subject to the provisions of the Service Regulations of the Company on file with the state regulatory commission.

Supersedes Riders NM-5A  
Effective for bills rendered on and after ~~July 1, 2013~~ June 1, 2014  
SCPSC Docket No. 2005-385-E, Order No. ~~2009-552~~ 2014-